

LexisNexis

New start-up visa could mark 'shift towards more positive immigration policy'

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The Home Secretary has announced a new 'start-up' visa which will make the visa process faster and smoother for entrepreneurs coming to the UK to start a business. Lawyers at Bates Wells Braithwaite, Carter Thomas Solicitors and Lewis Silkin discuss the implications of this new visa routes, adding that it will hopefully 'mark a shift toward more positive immigration news and policy'.

The new route will replace a visa route which was exclusively for graduates, thereby allowing a wider pool of talented business founders. The visa will require applicants to have 'acquired an endorsement from a university or approved business sponsor'.

The announcement comes during London Tech week and follows Tech Nation's 2018 report (see LNB News 12/06/2018 115), which found that 83% of tech communities cite access to talent as their biggest challenge.

Home Secretary, Sajid Javid, said: '[The visa] will help to ensure we continue to attract the best global talent and maintain the UK's position as a world-leading destination for innovation and entrepreneurs.'

'Welcome news to entrepreneurs'

Naomi Hanrahan-Soar, managing associate at Lewis Silkin, says that 'establishing a new, more flexible and open start-up visa could be very valuable', and hopes it 'marks a shift toward more positive immigration news and policy.'

Hanrahan-Soar continues: 'It appears to be a replacement or a series of amendments to the existing Tier 1 Graduate Entrepreneur scheme by allowing a university or approved business sponsor (including accelerators) to endorse the entrepreneur. Effectively, broadening it out to non-UK graduates.'

Nichola Carter, partner at Carter Thomas Solicitors, welcomes the new visa route, stating: 'We work with a large number of universities that provide endorsements under Tier 1 Graduate Entrepreneur, businesses that sponsor individuals under the Tier 2 digital technology route and individuals applying under Tier 1 Exceptional Talent and Tier 1 Entrepreneur.'

'These routes all have something positive to offer but often, those building exciting new start-ups don't quite fit into any of the schemes. A visa designed just for them will be extremely attractive.'

Chetal Patel, partner at Bates Well Braithwaite, adds: 'Entrepreneurs play a key role in creating jobs and driving economic growth in the UK. It is hoped that this new start-up visa route will aid the UK in becoming a more dynamic, open, globally-trading nation.'

Start-ups are 'only one part of the tech industry'

Hanrahan-Soar notes that the government must remember that starts up are only 'one part of the tech industry, saying 'It is crucial that the Tier 2 caps are reviewed as part of the policy to attract more tech business to the UK.

'Tier 2 already addresses the government's policy of attracting the brightest and the best to the UK without displacing the local labour market. It has never made any sense to put a limit on that part of migration given it is for skilled and well-paid workers who boost the employment and salary of local workers.'

'Between December 2018 and March 2019 there were approximately 1,000 tech workers refused the visa because of the cap. Removing NHS doctors from the caps is a step in the right direction but truly, that visa does not need caps at all.'

'The devil will be in the detail'

Hanrahan-Soar notes that the effectiveness and take-up of the visa will depend on 'who is entrusted to exercise the subjective analysis required, and how fair, accessible and predictable they are.'

Hanrahan-Soar continues: 'It remains to be seen whether the new visa route will meet its stated aims of attracting the best global talent by making the visa process faster and smoother for entrepreneurs.'

'Hopefully, they will also revise the investment requirement as part of this reform. Only the details will reveal how flexible, efficient and effective the proposition will be in practice.'

Carter adds that as always, the 'devil will be in the detail': 'I very much hope, and am expecting, that the new visa won't come with an investment requirement. Start-ups and those behind them are often, by their nature creative, energetic and unique.'

'The challenge for the Home Office is to build a new visa category that is modern and responsive, and which will allow university and business sponsors freedom and flexibility.'

Source: Press release: New start-up visa route announced by the Home Secretary

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